

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of Southern California Gas Company (U 904 G) for Authority to Revise Its Rates Effective January 1, 2003 in its Biennial Cost Allocation Proceeding.

Application 01-09-024

In the Matter of the Application of San Diego Gas & Electric Company (902-G) for Authority to Revise Its Gas Rates Effective January 1, 2003, in Its Biennial Cost Allocation Proceeding.

Application 01-10-005

**ADMINISTRATIVE LAW JUDGE'S RULING GRANTING
OFFICE OF RATEPAYER ADVOCATES MOTION TO
SUSPEND THE PROCEDURAL SCHEDULE**

Summary

This ruling grants the Office of Ratepayer Advocates' (ORA) Motion to suspend the procedural schedule established at the December 4, 2001, Prehearing Conference (PHC), and adopts as the new schedule the "ORA Schedule" agreed to by the parties at a January 22, 2002, meet and confer conference.

Background

On September 21, 2001, Southern California Gas Company (SoCalGas) filed its Application for authority to revise its rates effective January 1, 2003, in its Biennial Cost Allocation Proceeding (BCAP) and on October 5, 2001, San Diego Gas & Electric Company (SDG&E) filed its BCAP Application. Both initial applications proposed to replace the long-run marginal cost (LRMC)

methodology, a methodology followed by the Commission for the last decade, and replace it with an embedded cost-based allocation methodology. SoCalGas and SDG&E amended their applications on November 13, 2001, and November 21, 2001, respectively, to present resulting rates from an embedded cost-based allocation analysis. Pursuant to an Administrative Law Judge (ALJ) ruling on November 5, 2001, the proceedings were consolidated, a PHC was scheduled for December 4, 2001, and the parties were ordered to meet and confer and file a PHC statement that included a proposed hearing schedule.

At the December 4, 2001, PHC, the schedule as proposed by the parties was adopted. Pursuant to that schedule, testimony is due from ORA on March 22, 2002. On December 11, 2001, the Commission issued Decision (D.) 01-12-018 approving, with modifications, the SoCalGas comprehensive settlement in Investigation 99-07-003, the gas industry restructuring proceeding (GIR). The issuance of the GIR necessitates that both SoCalGas and SDG&E file second amended applications with supporting testimony. Both utilities estimated that the revised applications would not be ready until at least March 2002.

On December 28, 2001, ORA brought a motion to suspend the procedural schedule on the ground that it would not be possible for ORA to file its testimony by March 22, 2002, if the utilities are not filing their revised applications until that same time. The ALJ ordered the parties to meet and confer on ORA's motion and to determine if the established hearing schedule of May 22 through June 14, 2002, could be retained, if a shift in the filing dates for testimony was done.

On January 22, 2002, the parties met¹ and then reported to the ALJ that none of the parties was strongly in favor of the original hearing schedule. ORA, in particular, was adamant that the schedule had to change to meet the late filing dates of the amended applications. ORA proposed the following revised schedule for the service of testimony and for the evidentiary hearing:

SoCal revised testimony/application	March 4
SDG&E revised testimony /application	March 18
ORA serves testimony re SoCalGas	June 14
ORA serves testimony re SDG&E	June 28
Interested Parties serve testimony re SoCalGas	July 12
Rebuttal testimony served by all parties re SoCalGas	July 26
Rebuttal testimony served by all parties re SDG&E	August 2
Pre-trial Prehearing conference	August 16
Hearings begin	August 27
Hearings conclude	September 20
Concurrent opening briefs	October 18
Concurrent closing briefs	November 15
Proposed decision issued	February 15
Commission decision	End of March

Succinctly put, no party objected to the ORA schedule, while eight parties objected strongly to the original schedule. In light of the fact that the parties did reach a consensus on the revised procedural schedule, and the new schedule is compatible with the ALJ and Commission's calendar, the ORA schedule is adopted as the new schedule for this combined BCAP proceeding.

¹ SoCalGas arranged a meet and confer session that parties could attend in person or telephonically.

IT IS RULED that the Office of Ratepayer Advocates' Motion to Suspend the Procedural Schedule is granted, and the new procedural schedule set forth in this ruling is adopted for this proceeding.

Dated January 29, 2002, at San Francisco, California.

/s/ Carol Brown
Carol Brown
Administrative Law Judge

CERTIFICATE OF SERVICE

I certify that I have by mail this day served a true copy of the original attached Administrative Law Judge's Ruling Granting Office of Ratepayer Advocates Motion to Suspend the Procedural Schedule on all parties of record in this proceeding or their attorneys of record.

Dated January 29, 2002, at San Francisco, California.

/s/ Antonina V. Swansen
Antonina V. Swansen

N O T I C E

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